

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
233 Richmond Street
Providence, RI 02903

INSURANCE REGULATION 3

PROHIBITION OF SURCHARGES FOR MINORS ON CLEAN RISKS

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Section 1 Regulation

To All Insurers Licensed to Write Automobile Liability Insurance in this State:

In a few states there are statutes requiring the filing of certificates of financial responsibility by minors as prerequisite to the registry of automobiles in their names. It is almost universally agreed that such special requirements do not call for application of financial responsibility surcharges. It has been discovered that a few companies are making surcharges upon the insurance premiums charged to minors for such filings. In some cases a double surcharge has resulted when insurers have applied a manual surcharge and then used that as a basis for additional surcharge if the risk should be assigned. This latter situation is particularly distressing since the intent of the Rhode Island Assigned Risk Plan, approved by this Department as of February 11, 1952, was very definitely to the effect that assigned risks would not be surcharged if free from record of accidents or convictions.

So that equitable and non-discriminatory rating practices shall be observed by all insurers writing automobile liability insurance in this state, you are authorized and directed to comply with these provisions as follows:

"It is ruled, and you are hereby so notified, that a filing of a certificate of financial responsibility with the Registrar of Motor Vehicles of the State of Rhode Island and Providence Plantations, on behalf of a minor because he is a minor, does not subject the premium for the policy of insurance issued in connection therewith to any surcharges whatsoever.

"If the risk is 'clean,' whether voluntary or assigned, has not been involved as an operator or owner in a motor vehicle accident resulting in injury to or death of any other person or damage to property of another, or been convicted of any violation of the Motor Vehicle Code other than for parking, or been convicted of any non-motor vehicle offense and sentenced to imprisonment for five (5) or more days or fined fifty dollars (\$50.00) or

more, there is no surcharge for a minor's financial responsibility filing and by no surcharge we mean that there shall be no 5 per cent (5%) surcharge nor any other surcharge."

Section 2 Effective Date

This ruling is effective upon all policies written on or after July 1, 1952.

EFFECTIVE DATE:	July 1, 1952
AMENDED:	None
REFILED:	December 19, 2001